

**RESPONSIVE TESTIMONY OF  
JOHN E. FOLSOM, JR.  
ON BEHALF OF  
DOMINION ENERGY SOUTH CAROLINA, INC.  
DOCKET NO. 2021-88-E**

1   **Q.   PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**  
2       **OCCUPATION.**

3   A.       My name is John E. (“Eddie”) Folsom, Jr. My business address is 6248 Bush  
4       River Road, Columbia, South Carolina 29212. As Senior Market Originator, my  
5       responsibilities focus on long-term wholesale power business for Dominion Energy  
6       South Carolina, Inc. (“DESC”).

7  
8   **Q.   ARE YOU THE SAME EDDIE FOLSOM THAT OFFERED DIRECT AND**  
9       **REBUTTAL TESTIMONY IN THIS DOCKET?**

10  A.       Yes, I am.

11  
12 **Q.   WHAT IS THE PURPOSE OF YOUR RESPONSIVE TESTIMONY?**

13  A.       The purpose of my responsive testimony is to respond to certain items within  
14       the Independent Report on Dominion Energy South Carolina, Inc.’s 2021 Avoided  
15       Cost Proceeding, authored by London Economics International LLC (“LEI”), and

originally filed in this docket on September 17, 2021 (as corrected, the “Report”).<sup>1</sup> Specifically, I highlight key areas on which DESC and LEI agree. For example, DESC and LEI appear to agree that (i) the insurance coverage amounts should be increased in the Form PPA and (ii) the surety bond proposed by DESC should be approved—particularly given LEI’s experience indicating that QFs could obtain surety using the proposed form. Finally, I respond to LEI’s recommendation to maintain the existing threshold related to site control in the Commission-approved NOC Form by re-iterating that the changes related to site control were motivated by an effort to reflect best practices arising under the FERC’s Order No. 872.

**Q. HOW DO YOU RESPOND TO LEI’S RECOMMENDATION ON PAGE 64 OF THE REPORT THAT DESC’S “PROPOSED HIGHER COVERAGE AMOUNTS BE APPROVED ONLY FOR THE FORM PPA”?**

A. DESC appreciates and agrees with LEI’s recommendation that the coverage amounts in the Form PPA should be increased.<sup>2</sup> As I described in my rebuttal testimony, these increases reflect, in part, the deployment of emerging technologies, which can result in PURPA-compliant facilities that actually exceed 80-MW DC or implement hybrid technologies, like battery storage. These increased coverage amounts mitigate risk for DESC’s customers, particularly given that these emerging

---

<sup>1</sup> LEI filed a corrected version of the Report on September 22, 2021.

<sup>2</sup> Although LEI did not specifically address the automotive insurance requirement, DESC interprets the Report as recommending that automotive insurance be required of QFs under the Standard Offer, with a minimum insurance limit of \$1,000,000 (as opposed to \$2,000,000 in the Form PPA).

1 technologies can present increased costs and potential safety concerns. As such, an  
2 increase to the amount of insurance coverage is warranted to ensure that these  
3 generators are adequately insured, thereby also protecting DESC's customers.<sup>3</sup>  
4

5 **Q. ON PAGE 66 OF THE REPORT, LEI CITES ITS EXPERIENCE IN**  
6 **OBTAINING SURETY BONDS AND ULTIMATELY RECOMMENDS**  
7 **THAT THE COMMISSION APPROVE DESC'S PROPOSED FORM OF**  
8 **SURETY BOND. DOES DESC'S PARENT COMPANY HAVE SIMILAR**  
9 **EXPERIENCE WITH THIS FORM OF SURETY BOND?**

10 A. Yes. Although Witness Levitas describes DESC's proposed surety bond as  
11 "unworkable" and containing a "poison pill," LEI, however, stated the proposed  
12 surety bond is practicable—a position which aligns with Dominion Energy's  
13 experience. Specifically, LEI notes that based on its experience, LEI does not  
14 believe that "the proposed changes would make surety bonds more difficult to  
15 obtain in the marketplace."<sup>4</sup> Likewise, as I explained in my direct testimony,  
16 DESC's parent company has been utilizing this form in the marketplace for a  
17 number of years. As such, the Report reinforces DESC's belief that the proposed  
18 form of surety bond presents heightened consumer protection measures, with little  
19 impact—if any—to project developers.

---

<sup>3</sup> DESC also appreciates LEI highlighting the internal inconsistency between Section 9.1 and Attachment G of the Standard Offer and Form PPA. DESC will correct this inconsistency once the Commission has ruled on DESC's proposed changes this docket.

<sup>4</sup> Report at p. 66.

1  
2 **Q. ON PAGE 68 OF THE REPORT, LEI RECOMMENDS THAT DESC’S**  
3 **EXISTING LANGUAGE IN THE NOC FORM RELATED TO SITE**  
4 **CONTROL BE MAINTAINED. WHY DID DESC REVISE THIS EXISTING**  
5 **LANGUAGE?**

6 A. DESC proposed this revision in direct response to FERC Order No. 872.<sup>5</sup> As  
7 I noted in my direct testimony, the existing Commission-approved NOC Form  
8 requires the QF to actually obtain site control prior to locking-in rates under a LEO.  
9 However, in Order No. 872, the FERC clarified that utilities can require that the QF  
10 has taken certain actions within its power to obtain site control—regardless of  
11 whether it has actually obtained such control. This recommendation was part of a  
12 larger LEO reform effort in Order No. 872 that the FERC stated “should encourage  
13 development of QFs.”<sup>6</sup> DESC’s proposed language is consistent with Order No. 872  
14 and is therefore tantamount to a best practice. Although there are certain differences,  
15 it is of note that the positions advanced by LEI and the FERC reflect a general  
16 consensus that a QF developer must show a substantial commitment prior to  
17 establishing a LEO.  
18

---

<sup>5</sup> *Qualifying Facility Rates and Requirements Implementation Issues Under the Public Utility Regulatory Policies Act of 1978*, Order No. 872, 85 FR 54638 (Sep. 2, 2020), 172 FERC ¶ 61,041 (2020) (“Order No. 872”).

<sup>6</sup> Order No. 872 at P. 684.

1   **Q.   DOES   THIS   CONCLUDE   YOUR   PRE-FILED   RESPONSIVE**  
2           **TESTIMONY?**

3   **A.           Yes, it does.**